



Irish Life Weekly Investment Bulletin

The week that was – WEEK 10 2018 (ending 08/03/2018)

“The horse I bet on was so slow, the jockey kept a diary of the trip.” – Henny Youngman

Irish SMEs show strongest profitability reading in 6 years – The Department of Finance’s SME Credit Demand Survey for April to September 2017 shows 59% of SMEs reporting a profit over the period (highest since 2011) and business confidence increased from 48% of SMEs in Sep 2016 to 57% in Sep 2017.

Irish retail sales down by 0.6% in January – Latest figures from the Central Statistics Office show the volume of retail sales decreased by 0.6% in January, but with an annual increase of 1.3%. The figures were better excluding motor sales, with a rise of 1.1% on the month and an increase of 5.7% in the annual figure.

Global stock market up 1.7% on the week – The MSCI AC World TR Index showed a 1.70% rise from 2nd March to 8th March, as news came that US President Donald Trump and North Korean leader Kim Jong Un have agreed to meet. The VIX on 8th March was at 16.54, up very slightly from 16.49 at the end of last week.

ECB removes option to increase monetary stimulus – The European Central Bank Governing Council at its monthly meeting said it could still extend asset purchases beyond September if needed but omitted a long-standing reference to increasing them which some saw as a sign of the potential ‘tapering’ of the stimulus.

Draghi takes aim at Trump’s tariffs – European Central Bank (ECB) President Mario Draghi expressed concerns about healthy relations between the U.S. and the European Union following President Trump’s decision on trade tariffs saying – “.... if you put tariffs on your allies, one wonders who your enemies are”.

Greece marks 4th successive quarter of economic growth – Greece’s independent statistics authority (EL.STAT) announced that GDP went up 0.1% in Q4 2017 (1.9% year-on-year) compared to a revised 0.4% in the third quarter, 0.7% in Q2 and 0.6% in Q1 thus recording four straight quarters of growth in the economy.

The Story of the week: The world’s oldest message in a bottle has been discovered on a beach in Western Australia, almost 132 years after it was thrown into the ocean. The mysterious bottle was half-buried in sand when it was discovered by Tonya Illman. The message, dated June 12, 1886, was part of a massive German oceanographic experiment. Thousands of bottles were thrown overboard from German ships as a part of the research, which ran from 1864 until 1933. It was part of an experiment to study ocean currents and find more efficient trade routes.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 08/03)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	0.7
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-3.8
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-5.6
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-2.4
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	2.8
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	7.6
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-6.1
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	2.6
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.1
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.9
German	1.9	0.5	0.6	0.2	0.4	0.6
UK	3.0	1.9	1.9	1.2	1.2	1.5
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	2.0
Greece	8.2	9.6	7.9	7.1	4.1	4.2
Portugal	6.1	2.7	2.5	3.8	1.9	1.8
Spain	4.1	1.6	1.7	1.4	1.6	1.4
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.50
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.23
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.89
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.38
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	8.1% (to end of Q4)
U.K.	2.7	10.7	17.8	13.1	3.6	10.3% (to end of Q4)
U.S.	5.3	11.4	11.2	12.1	7.8	7.1% (to end of Q4)

*Past performance is not a reliable guide to future performance